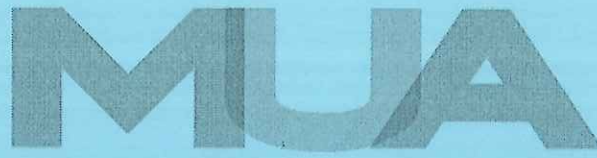


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**UNDERGRADUATE UNIVERSITY EXAMINATIONS**  
**SCHOOL OF MANAGEMENT AND LEADERSHIP**  
**DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP**

**BMT 302: ECONOMIC DEVELOPMENT**

**DATE: 12<sup>TH</sup> APRIL 2018**

**DURATION: 2 HOURS**

**MAXIMUM MARKS: 70**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

**QUESTION ONE**

**Read the Case Study below carefully and answer the questions that follow:**

Empirical evidence suggests that globalization has significantly boosted economic growth in East Asian economies such as Hong Kong (China), the Republic of Korea, and Singapore. But not all developing countries are equally engaged in globalization or in a position to benefit from it. In fact, except for most countries in East Asia and some in Latin America, developing countries have been rather slow to integrate with the world economy. The share of Sub-Saharan Africa in world trade has declined continuously since the late 1960s, and the share of major oil exporters fell sharply with the drop in oil prices in the early 1980s. Moreover, for countries that are actively engaged in globalization, the benefits come with new risks and challenges. The balance of globalization's costs and benefits for different groups of countries and the world economy is one of the hottest topics in development debates. For a national economy that access means an opportunity to benefit from the international division of labor, on the one hand, and the need to face stronger competition in world markets, on the other. Domestic producers produce more efficiently due to their international specialization and the pressure that comes from foreign competition, and consumers enjoy a wider variety of domestic and imported goods at lower prices.

**Required**

- a) Discuss **five** factors that affect trade among countries (10marks)
- b) Describe **five** benefits of International trade in the development of nations (10marks)
- c) Discuss the role of development economics in Sub-Saharan Africa (5marks)

**QUESTION TWO**

- a) Discuss **five** benefits of economic integration among nations (10marks)
- b) Highlight **five** problems of using per capita income to compare standard of living over time (5marks)



**QUESTION THREE**

- a) Describe **five** types of international liquidity (10marks)
- b) Discuss the theory of comparative advantage (5marks)

**QUESTION FOUR**

- a) Discuss five factors affecting the size of national income (10marks)
- b) Highlight **five** characteristics of Global industrialization (5marks)

**QUESTION FIVE**

- a) Discuss **five** principles of trading system according to World Trade Organization (10marks)
- b) Describe Malthus theory of population and environment (5marks)

**QUESTION SIX**

- a) Discuss the following theories of economic development
  - i) Harrod Domar Model (5marks)
  - ii) Lewis model Theory (5marks)
- b) Highlight **five** factors that influence Trade Unions' effectiveness in their wage negotiations with employers in developing countries (5marks)

